

Hearing Date: September 1, at 10:00 a.m. (prevailing Eastern Time)
Objection Deadline: August 25, at 4:00 p.m. (prevailing Eastern Time)

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*Proposed Counsel to the Debtors and
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 22-10964 (MG)
)
) (Jointly Administered)
)

**NOTICE OF HEARING ON DEBTORS' MOTION
GRANTING A SECOND EXTENSION OF TIME TO FILE
SCHEDULES AND STATEMENTS OF FINANCIAL AFFAIRS**

PLEASE TAKE NOTICE that a hearing on the *Debtors' Motion Granting a Second Extension of Time to File Schedules and Statements of Financial Affairs* (the "Motion") will be held on **September 1, 2022, at 10:00 a.m., prevailing Eastern Time** (the "Hearing"). In accordance with General Order M-543 dated March 20, 2020, the Hearing will be conducted remotely using Zoom for Government. Parties wishing to appear at the Hearing, whether making a "live" or "listen only" appearance before the Court, need to make an electronic appearance

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

through the Court's website at <https://ecf.nysb.uscourts.gov/cgi-bin/nysbAppearances.pl>.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the relief requested in the Motion shall: (a) be in writing; (b) conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, and all General Orders applicable to chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York; (c) be filed electronically with the Court on the docket of *In re Celsius Network LLC*, No. 22-10964 (MG) by registered users of the Court's electronic filing system and in accordance with all General Orders applicable to chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York (which are available on the Court's website at <http://www.nysb.uscourts.gov>); and (d) be served so as to be actually received by **August 25, 2022, at 4:00 p.m., prevailing Eastern Time**, by (i) the entities on the Master Service List available on the case website of the above-captioned debtors and debtors in possession (the "Debtors") at <https://cases.stretto.com/celsius> and (ii) any person or entity with a particularized interest in the subject matter of the Motion.

PLEASE TAKE FURTHER NOTICE that only those responses or objections that are timely filed, served, and received will be considered at the Hearing. Failure to file a timely objection may result in entry of a final order granting the Motion as requested by the Debtors.

PLEASE TAKE FURTHER NOTICE that copies of the Motion and other pleadings filed in these chapter 11 cases may be obtained free of charge by visiting the website of Stretto at <https://cases.stretto.com/celsius>. You may also obtain copies of the Motion and other pleadings filed in these chapter 11 cases by visiting the Court's website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

New York, New York
Dated: August 11, 2022

/s/ Joshua A. Sussberg

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 22-10964 (MG)
)
) (Jointly Administered)
)

**DEBTORS' MOTION GRANTING A SECOND EXTENSION OF TIME
TO FILE SCHEDULES AND STATEMENTS OF FINANCIAL AFFAIRS**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) respectfully state the following in support of this motion (this “Motion”):

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Order”) extending the deadline by which the Debtors will file their schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases, and statements of financial affairs (“Schedules and Statements”)

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

by an additional 30 days, to and including September 12, 2022², without prejudice to the Debtors' ability to request additional extensions.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of New York (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the Southern District of New York, entered February 1, 2012. The Debtors confirm their consent to the Court entering a final order in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein is section 105(a) of title 11 of the United States Code (the "Bankruptcy Code"), Bankruptcy Rules 1007, 2015.3(d), and 9006, and Rules 9006-2 and 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules").

Background

5. The Debtors, together with their non-Debtor affiliates (collectively, "Celsius"), are one of the largest and most sophisticated cryptocurrency based finance platforms in the world and provide financial services to institutional, corporate, and retail clients across more than 100 countries. Celsius was created in 2017 to be one of the first cryptocurrency platforms to which

² The 30-day extension falls on Sunday, September 11, 2022. However, since the extension of this deadline is calculated pursuant to Bankruptcy Rule 9006(a), the Debtors 30-day extension shall automatically be extended to Monday, September 12, 2022.

users could transfer their crypto assets and (a) earn rewards on crypto assets and/or (b) take loans using those transferred crypto assets as collateral. Headquartered in Hoboken, New Jersey, Celsius has more than 1.7 million registered users and approximately 300,000 active users with account balances greater than \$100.

6. On July 13, 2022 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. A detailed description of the facts and circumstances of these chapter 11 cases is set forth in the *Declaration of Alex Mashinsky, Chief Executive Officer of Celsius Network LLC, in Support of Chapter 11 Petitions and First Day Motions* (the “Mashinsky Declaration”) and the *Declaration of Robert Campagna, Managing Director of Alvarez & Marsal North America, LLC, in Support of Chapter 11 Petitions and First Day Motions* (the “Campagna Declaration”).³ As described in more detail in the Mashinsky Declaration, the Debtors commenced these chapter 11 cases to provide Celsius an opportunity to stabilize its business and consummate a comprehensive restructuring transaction that maximizes value for stakeholders.

7. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases have been consolidated for procedural purposes only and are jointly administered pursuant to Bankruptcy Rule 1015(b) [Docket No. 53]. On July 27, 2022, the United States Trustee for the Southern District of New York (the “U.S. Trustee”) appointed an official committee of unsecured creditors [Docket No. 241] (the “Committee”). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases.

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Mashinsky Declaration or the Campagna Declaration (together, the “First Day Declarations”), as applicable.

8. On July 19, 2022, the Court entered the *Order (I) Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases, and Statements of Financial Affairs, (II) Extending Time to File Rule 2015.3 Financial Reports And (III) Granting Related Relief* [Docket No. 57] (the “Initial Extension Order”). The Initial Extension Order extended the time within which the Debtors were required to file their Schedules and Statements until the earlier of (a) an additional 30 days (for a total of 44 days after the Petition Date (August 29, 2022) or (b) 7 days prior to the 341 Meeting. It extended the deadline to file 2015.3 Reports until the later of (a) 30 days after 341 Meeting or (b) 44 days from the Petition Date, each without prejudice to the Debtors’ right to seek additional extensions. The 341 Meeting is scheduled for August 19, 2022 [Docket No. 297]. Accordingly, the Schedules and Statements are currently due on August 12, 2022.

Basis for Relief

9. Section 521 of the Bankruptcy Code provides that the debtor shall file “(B) unless the court orders otherwise—(i) a schedule of assets and liabilities; (ii) a schedule of current income and current expenditures; (iii) a statement of the debtor’s financial affairs” 11 U.S.C. § 521(a)(1)(B). The Court has the authority to grant the requested extension under Bankruptcy Rules 1007(c) and 9006(b), and Local Rule 1007-1 (b). Bankruptcy Rule 1007(c) together with Bankruptcy Rule 9006(b) allows the Court to extend the filing deadline for the Schedules and Statements “for cause.” Fed. R. Bankr. P. 1007(c) and 9006(b).

10. Here, good and sufficient cause for granting a further extension of time to file the Schedules and Statements exists. To prepare the Schedules and Statements, the Debtors must compile information from books, records, and documents relating to the claims of hundreds of thousands of creditors, many of whom are the Debtors’ customers, as well as the Debtors’ many assets and contracts. This information is voluminous and located across various places within the

Debtors' international organization. Additionally, the Debtors and their advisors are encountering issues of first impression in the creation of the Schedules and Statements, including the treatment of customer claims in the context of cryptocurrency transfers. The Debtors and their advisors are striving to create a system that provides customers individualized and accurate notice of their claim, and an opportunity to contest the claim amount provided by the Debtors. Given the enormity of data being collected, the manner of presentation, and unique challenges in light of the novel facts in these chapter 11 cases, a full 60 days is required to ensure an accurate process.

11. Collecting the necessary information requires a significant expenditure of time and effort on the part of the Debtors, their employees, and their advisors. While the Debtors undertake this robust task, they are simultaneously dealing with the substantial and complex burden of transitioning their businesses into chapter 11 while developing a path towards their ultimate emergence from chapter 11. The Debtors' ordinary workforce—management and administrative personnel—is lean, and in addition to being tasked with their everyday jobs, are now being tasked with, among other things, assisting with the preparation of these Schedules and Statements.

12. Although they have been working diligently, the Debtors believe they will be unable to complete the Schedules and Statements by the current deadline. Courts in this district have granted similar relief to that requested herein in a number of chapter 11 cases of comparable size, complexity, and geographic scope. *See, e.g., In re Revlon, Inc.*, No. 22-10760 (DSJ) (Bankr. S.D.N.Y. June 17, 2022) (granting the debtors a total of 59 days from the petition date to file); *In re Avianca Holdings S.A.*, No. 20-11133 (MG) (Bankr. S.D.N.Y. July 1, 2020) (granting the debtors a total of 59 days from the petition date to file); *In re Frontier Communications Corp.*, No. 20-22476 (RDD) (Bankr. S.D.N.Y. May 1, 2020) (granting the debtors a total of 55 days from the petition date to file Schedules D, E, F, G, and H); *In re Windstream Holdings, Inc.*,

No. 1922312 (RDD) (Bankr. S.D.N.Y. April 22, 2019) (granting the debtors a total of 74 days from the petition date to file); *In re Aegean Marine Petroleum Network Inc.*, No. 18-13374 (MEW) (Bankr. S.D.N.Y. Jan. 17, 2019) (granting the debtors a total of 59 days from the petition date to file); *In re Tops Holding II Corporation*, No. 18-22279 (RDD) (Bankr. S.D.N.Y. April 20, 2018) (granting the debtors a total of 75 days from the petition date to file); *In re Avaya Inc.*, No. 17-10089 (SMB) (Bankr. S.D.N.Y. Mar. 21, 2017) (granting the debtors a total of 92 days from the petition date to file).

13. Although the Debtors and their advisors are working diligently and expeditiously to prepare the Schedules and Statements and 2015.3 Reports, the Debtors believe they will be unable to complete the Schedules and Statements and 2015.3 Reports by the current deadline. Further, the relief requested herein will not prejudice any party in interest. The Debtors intend to work cooperatively with the U.S. Trustee and the Committee to provide access to relevant information regarding the business and financial affairs of the Debtors and their non-Debtor affiliates. Therefore, the Debtors respectfully submit that under the circumstances, “cause” exists to extend the current deadline by an additional 30 days, to and including September 12, 2022. The Debtors request such an extension without prejudice to their rights to seek further extensions from this Court.

Motion Practice

14. This Motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of their application to this Motion. Accordingly, the Debtors submit that this Motion satisfies Local Rule 9013-1(a).

Notice

15. The Debtors will provide notice of this Motion to the following parties or their respective counsel: (a) the U.S. Trustee; (b) counsel to any statutory committee appointed in these

chapter 11 cases; (c) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (d) the United States Attorney's Office for the Southern District of New York; (e) the Internal Revenue Service; (f) the offices of the attorneys general in the states in which the Debtors operate; (g) the Securities and Exchange Commission; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

16. Except as requested in the *Debtors' Motion Seeking Entry of an Order (I) Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases, and Statements of Financial Affairs, (II) Extending Time to File Rule 2015.3 Financial Reports and (III) Granting Related Relief* [Docket No. 8], no prior request for the relief sought in this motion has been made to this or any other court.

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WHEREFORE, the Debtors respectfully request that the Court enter the Order granting the relief requested herein and such other relief as the Court deems appropriate.

New York, New York
Dated: August 11, 2022

/s/ Joshua A. Sussberg

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*Proposed Counsel to the Debtors and
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Exhibit A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
)	
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	Case No. 22-10964 (MG)
)	
Debtors.)	(Jointly Administered)
)	

**ORDER GRANTING A SECOND EXTENSION OF
TIME TO FILE SCHEDULES AND STATEMENTS OF FINANCIAL AFFAIRS**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”) further extending the time period to file their Schedules and Statements; all as more fully set forth in the Motion; and upon the First Day Declarations; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the Southern District of New York, entered February 1, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of these cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing thereon were appropriate under

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² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The time within which the Debtors must file the Schedules and Statements is extended for an additional 30 days, to and including September 12, 2022, without prejudice to the Debtors’ right to seek additional extensions.
3. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).
4. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.
5. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York
Dated: _____, 2022

THE HONORABLE MARTIN GLENN
CHIEF UNITED STATES BANKRUPTCY JUDGE